

Solving for RMDs

Using a *Lincoln Deferred Income SolutionsSM* Annuity



Rudy Montgomery is a 70-year old male who is interested in deferring income. He has \$125,000 of eligible premium to use for a Lincoln QLAC. The table compares the income he would receive from only taking RMDs to the income also generated by a Lincoln QLAC.

Minimizing RMD income

Have you started RMD planning with your qualified account holders? If not, look to Lincoln for the expertise to help build an effective strategy. If you have clients interested in minimizing their RMDs from traditional IRA accounts, using a Lincoln Deferred Income Solutions (DIS) Annuity as a qualifying longevity annuity contract (QLAC) can help them accomplish their goal.¹ See how it works.

Taking RMDs		Deferring income with a Lincoln QLAC	
Annual income at age 80	\$5,964	Annual income at age 80	\$16,116
Total RMD income from ages 70 to 80	\$58,507	Total income by age 85	\$96,696
Total income by age 85	\$90,060	The hypothetical RMD income is based on a traditional IRA and assumes 2.0% growth over a 15-year period. The Lincoln DIS Annuity rates used in the example were effective February 1, 2015.	

Comparing the results

- The Lincoln QLAC strategy generates \$10,000 more in annual income than RMDs alone.
- The RMD income from ages 70 to 80 is surpassed by the Lincoln QLAC income in just four years!
- The total RMD income by age 85 falls short of the total income received by using the Lincoln QLAC strategy.
- If the client should pass away while deferring income, their beneficiary would receive the original premium through the QLAC strategy.

¹ Qualifying Longevity Annuity Contract (QLAC), as defined under Q&A-17 of section 1.401(a)(9)-6 of the Income Tax Regulation. Limits apply to initial and subsequent premiums at the time of a contribution to the QLAC, and the IRA account balances are determined based on the balances of all IRA accounts on December 31 of the year prior to the year of the contribution.

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You're In Charge®

Contact your representative to see how a *Lincoln Deferred Income Solutions* Annuity may be part of an effective RMD strategy for your clients.

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